

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6693

BILL NUMBER: HB 1108

DATE PREPARED: Mar 18, 2002

BILL AMENDED: Mar 14, 2002

SUBJECT: Charter school financing and diplomas for certain veterans.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill has the following provisions:

(A) Authorizes charter schools sponsored by the Mayor of Indianapolis to obtain financing through a local public improvement bond bank.

(B) Establishes a method for honorably discharged veterans of World War I and World War II who did not receive high school diplomas because they joined the military before graduating to receive diplomas.

Effective Date: (CCR Amended) Upon Passage; July 1, 2002.

Explanation of State Expenditures: (Revised) (B) The Indiana Department of Education (IDOE) and the Indiana Department of Veterans' Affairs (DVA) would incur an indeterminable increase in administrative expenses in accordance with the provisions of this bill.

DVA: The DVA would be required to develop and process an indeterminable number of applications of eligible World War I and World War II veterans seeking high school diplomas. Development of informative materials and application forms would increase expenditures for the DVA. The DVA would also be required to verify the information provided by a veteran or the veteran's surviving family members. Once verification is completed, the DVA would be required to forward the verified application to the IDOE.

Background: There are currently 91 county service officers (CSOs) that serve the needs of veterans requesting information (Marion County has its own service officers). CSOs are trained and must pass annual certification in order to maintain their position. Although CSOs report to the county council and county commissioners, the DVA serves as the training agency and also supervision authority of CSOs. CSOs may process and fill out claims paperwork, free of charge, including searches for discharge form DD-214 for a veteran. However, a CSO is prevented by law to file completed paperwork. This role is reserved for veteran's

service organizations. CSOs are funded from county or city funds. It is possible the DVA could utilize CSOs to carry out the verification process of applications for a diploma.

As of November 1, 2001, the DVA had 13 full-time staff members and three vacancies. Two of the vacancies were in the DVA-operated Veteran's Memorial Cemetery. The remaining vacancy was a COMOT4 position within the administrative section of the DVA.

IDOE: The IDOE would be required to design and, if requested by the veteran, distribute the diplomas. The impact of this proposal most likely would not be absorbable within the IDOE's existing budget. Additionally, the DVA may consult with the IDOE to verify information on an application for a diploma. Although the additional expenditure required would be temporary, the IDOE reports additional staff would be required to carry out verifications of applications under the bill. The Department could employ temporary staff to verify applicant information. If diplomas awarded were required to have the State Seal attached, the IDOE would incur additional printing and postage cost.

Additionally, the IDOE would be required to either direct the school corporation that the diploma recipient attended (if still in existence) to present the diploma or IDOE would present the diploma. The expense of presentation of a diploma by the IDOE should be minimal if conducted during scheduled business meetings of the Board.

Since relatives of deceased veterans would be eligible to apply for diplomas to be awarded posthumously, it is possible more diplomas could be applied for than the estimated number of living Indiana World War I and World War II veterans. However, the specific number of Indiana World War I and World War II veterans who interrupted their high school studies to serve in the Armed Forces of the United States is currently indeterminable. Additionally, the number of Indiana veterans of the above listed conflicts that were honorably discharged is currently unknown.

Background: The Indiana War Memorials Commission reports that approximately 130,400 Hoosiers served in World War I. Approximately 400,000 Hoosiers served in World War II. The number of Hoosiers killed in action (KIA) are as follows: World War I - 3,350; World War II - 13,000.

It is estimated that approximately 95,200 World War I and World War II veterans live in Indiana today.

Explanation of State Revenues: (Revised) (B) Neither the IDOE nor the DVA would be allowed to charge a fee to process an application or to present a diploma.

Explanation of Local Expenditures: (Revised) (B) If county service officers (CSOs) are utilized to carry out the verification process of veteran diploma applications under the bill, counties with CSOs could see their staff members' responsibilities increase, which could result in less resources available to carry out the other administrative duties of CSOs.

If school corporations elect to hold a ceremony to present a diploma, the school corporation could incorporate the awarding of such diploma at the same time the corporation holds ceremonies for the graduating class of the school year.

Explanation of Local Revenues: (Revised) (A) The bill allows charter schools designated by the Mayor of Indianapolis to apply to the Indianapolis Bond Bank for funds. The provisions might save charter schools in Indianapolis some financing cost and should have no state or local impact since the Indianapolis Bond

Bank is a separate corporate entity and politically separate from Indianapolis and the State of Indiana.

State Agencies Affected: Indiana Department of Education; Indiana Department of Veterans' Affairs.

Local Agencies Affected: School corporations; Marion County.

Information Sources: William Jackson, Jon Brinkley, Indiana Department of Veterans' Affairs, (317) 232-3919; Steve Meskin, Office of the Actuary, Office of Policy and Planning, U.S. Department of Veterans' Affairs, (202) 273-5062; Terry Spradlin, Indiana Department of Education, (317) 232-6671; Dave Buchanan, Indiana War Memorials Commission, (317) 232-7616.